

CITY OF WEST LAFAYETTE
COMMON COUNCIL
SPECIAL MEETING
MINUTES
SEPTEMBER 20, 2016

The Common Council of the City of West Lafayette, Indiana, met in Room 106 at the Morton Community Center on September 20, 2016, at the hour of 6:30 p.m.

President Bunder called the meeting to order and presided.

The Pledge of Allegiance was repeated.

Present: Peter Bunder, Steve Dietrich, Larry Leverenz, David Sanders [arrived at 6:38 p.m.], Gerald Thomas, and Norris Wang.

Absent: Nick DeBoer, Aseem Jha, and Gerry Keen.

Also present: Mayor John Dennis, Corporation Clerk Sana Booker, Director of Development Erik Carlson, Facilities Director Tim Clark, Police Chief Jason Dombkowski, Parks Superintendent Janet Fawley, Human Resources Director Diane Foster, City Controller Peter Gray, Fire Chief Tim Heath, WWTU Director David Henderson, and Assistant Fire Chief Irr.

UNFINISHED BUSINESS:

Ordinance No. 27-16 An Ordinance Setting The 2017 City Budget And Setting The 2017 Tax Levy On Property And Tax Rate (Submitted by the Controller) PUBLIC HEARING ONLY

President Bunder read Ordinance No. 27-16 by title only.

Controller Gray stated that before we start the public hearing, he would like to cover a couple of things. He stated that we talked about tax rates quite a bit, including tax caps, and there were some questions at the September 6, 2016, Council meeting. He stated that he wants to be able to connect our tax rate to the tax bills that we all see. He presented some information with example amounts and calculations. He stated that there are seven different taxing authorities in Tippecanoe County, and the City is only one of them. The tax rate shown of 2.78 is a conglomeration of all of these. He reviewed the last few years of the actual tax rate, and stated that he assumes the 2017 number will be a similar rate, but the assessment has not gone through yet.

[Councilor Sanders arrived at 6:38 p.m.]

Councilor Dietrich moved to open a public hearing on Ordinance No. 27-16. The motion was seconded by Councilor Thomas, and the motion passed by voice vote.

Controller Gray said, "Since the Council had their meeting, we did continue to look at the budget, and the CCD—the Cumulative Capital Development Fund—looked like it was over-budgeted. We were getting in, or assuming we are going to be getting in, a little over a half-million dollars. And the budget for this current year was \$800,000, but we also got in basically a half-million dollars. We were using \$300,000 of, I guess, cash that we already had for this year, which we could not start for next year. So, the CCD budget that is actually in the packet now has been reduced

approximately \$300,000 for the CCD budget. All the other line items are the same, but I wanted you to be aware that that has been adjusted since the meeting at the first part of the month.”

Jan Myers (1909 Indian Trail Drive) said, “As a local taxpayer, I have another concern, and it is not the rate, Peter Gray, or any of you here. My concern is what I am following very closely under the Department of Justice findings, settlements, whatever you want to call them, with local government entities recently. I have the privilege of being retired and being able to read a lot more than some of you do. I will be glad, as an example, to forward to the City Clerk a settlement that just came out from the Department of Justice for the entire Humboldt County of California, that requires them, and I believe the time horizon is three years, to make the entire county—and if any of you have been to Humboldt County it is pretty rural, I’ve been there—everything accessible. Sidewalks, curb cuts, and everything through the whole county. Things that I am following is when budgets do not include, under departments, what they are doing to make their City compliant with ADA. It causes bigger problems when there are complaints. As a taxpayer, I would not like to see a city budget made such that in one instance, and I am not referring to county I just mentioned, where the city budget could only be police and fire and civil rights compliance. For all you other departments, it may be pretty amazing to have two or three years of your budget either frozen or disappear, and I would not want that to happen here. I believe West Lafayette has itself in a more vulnerable position, because as a city and a university we have proven we can put together \$120 million for one street. That says something to the Department of Justice, and as a taxpayer I am very concerned about what that says when I have two-inch heave-hos in the blocks, both sides of the street on Salisbury, between Fowler and Wiggins. So, I please ask you, as a taxpayer, and someone who likes all the services we provide, to re-think entries in the budget. I know the State of Indiana still say we have to have a Traffic Commission. I read lots of things, and I am not a lawyer or an engineer, but I get into these things because that is required. I would urge us to think about it as a transportation committee that looks at all means of travel, whether that be flatfeet, roundfeet, bicycle paths, and so forth. I am just bringing this up as an alert. That is why I came, because I am concerned as a taxpayer what the future could mean for us.

President Bunder said, “I believe Councilor Sander has a question for Peter [Controller Gray].”

Councilor Sanders said, “If you could re-explain what you said in the introduction—I am trying to understand about this \$300,000. Is this money we could not carry over?”

Controller Gray said, “Basically, we had \$300,000 at the beginning of last year, added \$500,000 of the tax levy coming in, so we had a total of \$800,000 to be spent this year. That would basically zero that out. We are getting an additional \$500,000 of tax, but there is no—we cannot carry over the same budget, because we do not have that \$300,000 starting.”

President Bunder said, “Any further questions for Peter? Then, if not, an observation. Thank you for doing this. This is our first time through in this new Class 2 designation, and it could not have been a lot of fun. So, thank you for your diligence and your professionalism in doing this. The second observation would be that at some point in the near future we are going to have to find more money because we are bigger. There are going to be more pressures on the City budget in terms of personnel, in terms of finding revenue for the Parks Master Plan, you name it. We have done a good job of getting Fire and Police, to getting safety geared-up for annexation. I think that has been done well. Our next step is to raise the level of public service to that expanded population, and that will cost us some money. I do not know if we raise the tax revenue; I mean, could we go back to 2014 in terms of a rate? Do you do that? Do you find— We have not done fees since 1992. Do you rehab the City code and change the fees? Do you come up with a

recreational impact fee to fund the Parks Department? That is my concern. I know we will meet this challenge. But first, thank you, and second, how are we going to get more money?

Mayor John Dennis said, "At the last staff meeting, I directed all of our department heads to review all their fees, fines, charges. We have not touched those since 1992. So, that is going to be one of our additional revenue streams. Secondly, yes, we are looking at a recreation impact fee on new developments. The reason why I was laughing is that we just had that meeting this afternoon about that very specific subject matter. Jan [Parks Superintendent Fawley] and Erik [Director of Development Carlson] are going to work either in conjunction with the strategic plan that we are going to be doing, or separate to that with a consultant to figure out how we do that, so that it is not going to blindside everybody. Then the other way is obviously with the development that is coming in on the State Street corridor; that is going to help us out a lot. To say that we are going to be in the money is obviously— It is always going to be tight. Remember, when we first started, almost a decade ago, we could actually raise taxes. We could look at expenditures and figure out how we could accommodate our citizenry and not have too much of an adverse impact. We cannot do that anymore. As Peter [Controller Gray] so eloquently displayed, it is set. Here is where you are. Live within those parameters. So, that is why, another compliment to Peter, what he did earlier on was saying that this is how much we got, and this is how much we want to spend, which was something we had not seen in the past. It gives us sort of a ceiling to predicate our budgets on. So, there are ways. We will be exploring those options. It could conceivably create some concern on the part of the citizenry, but when you look at how long it has been— You know, when you look at other communities of this size, you look at how they are funding their emergency services. How they are funding their parks. How they are funding engineering, all of the departments, and then trying to acquire additional staff. That is how it works now in Indiana Y2K plus 16."

Councilor Sanders said, "Two words: wheel tax. So, we can do one, and if I am not mistaken, I can be corrected on this, but there is currently the availability of a State match. That is one of the few avenues of raising money that actually potentially has a State match currently. So, it seems like something that might be worth investigating."

President Bunder said, "So, I was taken by the one graph that showed the declining tax rate? That was not really a declining tax rate, was it?"

Controller Gray said, "Yes, for the City of West Lafayette."

President Bunder said, "Okay. So, let's suppose that we go crazy. Could you do a number that was a little bit more than this year, next year? Instead of 0.0814, and I am not recalling the number exactly, could you do 0.0815 and still make it under the 1% cap?"

Controller Gray said, "The big variable is the assessed value, and also the reassessments that people will file for. So, that with the assessed value going up or down, it— What we have done here, and with the State saying that we should do this, is that the rate we are actually asking for is about 1.1, just in order to get a certain rate in there that they will choose. Then they will pick, when the certified assessed value comes into play, they will start bumping those numbers around to see where that ends up. So, we are not targeting in at the 8.0 or 8.5. If we do that and submit that to the State, most likely that rate will drop drastically when the certified assessment actually comes into play."

Councilor Thomas said, "So, you hedged your bet. Controller Gray said, "Yes, and why the State is doing this, I am sure that the lawyers in the assembly have their reasons."

Councilor Dietrich said, "So, regardless, if we were to bump that up another quarter of 1%, in the end it is going to shake back down to 1% of our assessed value?"

Controller Gray said, "They have a maximum levy that they have given us, saying it is approximately \$9.5 million. That is the maximum we are going to get. So, we put in a budget higher than that—it is about \$10 million—hoping that when the rate comes in, as far as what they approve on our budget, and then the assessed value comes in, and then they will bump the assessed value with our rate. If it is under that maximum dollar amount, we get that lower amount. If our rate that we put in exceeds the \$9.5 million, they will bump it down to that \$9.5 million. So, that is where we are playing that game to try to get our initial rate up high enough to make sure that we hit the maximum that they have given us with an unknown assessed value."

President Bunder said, "So, the strategy is to be as high as you can be, making our own guesses about assessed value, right? It would not do us any good to do a guess at 1.2 if it did not match the assessment and it did not make the State happy. Am I correct?"

Controller Gray said, "Correct. We are at a high enough level right now—"

President Bunder said, "In fact, we are a little over what you might, because we know we are going to get less than that. But, if you asked for 1% you might be even more disappointed than if you were doing 1.1%."

Councilor Dietrich said, "Will all the variables be filled in by the time we make our final approval of the budget?" Controller Gray said, "No, it won't." Mayor Dennis said, "They never have been."

President Bunder said, "Yes, they never have been, but we were never quite as aware as we are this year."

There were no further comments.

Councilor Bunder moved to close the public hearing on Ordinance No. 27-16. The motion was seconded by Councilor Dietrich, and the motion was passed by voice vote.

ADJOURNMENT

There being no further business at this time, Councilor Thomas moved for adjournment, and President Bunder adjourned the meeting the time being 6:55 p.m.